

ENCLOSURE TO BUREAU (92-3116)

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ENCLOSURE

92-3116-450

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IRS Agents Armed in '62, Court Is Told

by DAVID D. GLADFELTER
Sentinel Staff Writer

Springfield, Ill. — Internal revenue service (IRS) agents were issued weapons in 1962 on tip that an IRS agent was going to break into the federal building office of the IRS to steal records in the Frank P. Balistreri tax case, according to testimony in federal court on Thursday.

The testimony was given by Gerald L. Jackson, a special S agent, and Ernest G. Johannes, a former special agent assigned to the Chicago regional office of the IRS. The agent was absent.

In other testimony Thursday:

The existence was revealed of the third "bugging" device used by the federal bureau of investigation during its scrutiny of Balistreri. The device, a telephone, was hidden in the Wisconsin av. office of a lawyer, whose name was not disclosed.

An FBI agent and three officials of the Wisconsin Telephone Co. testified that special phone lines were made available to the FBI to enable it to monitor the bugging devices, but the devices themselves and the monitoring equipment were installed by the FBI without knowledge of the company.

Jackson was asked to identify notation on his work sheet Oct. 7, 1962, which read: "sued weapons — search low third ward area."

Jackson explained to Atty. Gen. J. Walsh, representing

Balistreri, that IRS had received information that somebody was going to try to break into its federal building office and take the Balistreri records.

Balistreri, 48, a Milwaukee night club operator who lives at 3043 N. Shepard av., is on trial charged with income tax evasion.

Jackson testified that he had received a telephone call from Johannes and at his request issued firearms to two inspectors in the IRS intelligence division office. He said they were stationed there on a Sunday, when the offices were normally closed.

Johannes did not tell him where he received the information, Jackson said. Jackson said he asked Johannes later and was told, "The less I know about it the better."

He said that Johannes gave him the license number of an automobile and told him to drive around the area near the federal building in Milwaukee in an attempt to locate the vehicle. He said he did not locate it.

Jackson said he did not write a report of the incident.

Johannes at first said he could not recall the incident. When questioned about the entry in Jackson's work log, he replied, "I have no idea what this relates to, what this relates to at all."

When informed of Jackson's testimony, Johannes said that an FBI agent named John Gassoway had told him that the IRS office might be broken into.

He said Gassoway had given him the last name only of the person he suspected would break into the office. He said that the last name was that of "an IRS employee who has since left the service."

Johannes said that he and Jackson found out the license number of the employee's car, and he had asked Jackson to watch for the license number.

Both agents testified that there was no attempt to break into the office, and that no records were taken.

"It turned out to be a false rumor?" asked Walsh.

"Right, sir," replied Johannes.

Johannes testified that he had reported the incident to the man who was then chief of the IRS intelligence division, in Milwaukee, Paul Rheame, and to the office of the IRS regional inspector in Chicago, and had made entries in his diary indicating "confidential" matters.

Asked whether he had told Jackson that the less he knew about the source of the tip the better, Johannes replied, "That's his recollection, not my recollection."

Walsh said he was interested in the incident because "I think this is some more bug business. It's another incident of FBI co-operation with the IRS."

The FBI has admitted conducting electronic surveillance of an office used by Balistreri at 2559-61 N. Downer av., and at an apartment of Balistreri's bookkeeper, Miss Jennie Alioto, at 1609 N. Prospect av.

Federal Judge Omer Poos has ruled that evidence obtained through the illegal surveillance would be inadmissible.

When Walsh asked Johannes the name of the suspected IRS employee, Franklin M. Gimbel, assistant United States attorney who is prosecuting the case, objected. He said that "nothing happened—it's just a story."

"It's just a story picked up on the surveillances," Walsh replied. He said he wanted to know the name of the agent to see if any other matters related to the incident appeared on the IRS logs.

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 1
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Judge Poos told Johannes to give the name to Walsh in confidence. Johannes wrote something on a piece of paper and handed it to Walsh.

Joseph E. O'Connell, special agent for the FBI in Milwaukee, testified that he had arranged for installation of a microphone in the lawyer's office. He said the microphone had been removed sometime during 1963.

He said it had been placed so that the FBI could eavesdrop on confidential information among attorneys in the office, and between attorneys and their clients.

The microphone was connected by special telephone lines to the FBI office in the federal building, where it was monitored, O'Connell said. It was a type of installation and connection similar to that at the Downer av. office of Balistreri, he said.

The microphone in Miss Alioto's apartment was not monitored by means of a telephone connection, but via a radio transmitter to another apartment on the same floor where FBI men were stationed, he said.

The telephone company had been asked to reserve a special telephone line for FBI use at the Alioto apartment, but the line was not used.

O'Connell said he knew of no electronic surveillances ever having been conducted by the FBI at the homes or offices of two of Balistreri's attorneys, Messrs. M. Shellow and Eugene Jensen; at four of Balistreri's alleged business places, Gallagher's, the Downtowner, the Lower Tavern and the Roosevelt hotel; or at the homes of three other individuals, Joseph Aniaki, Santo Curro and Rudolph Porchetta.

The latter three are named as co-conspirators in a count against Balistreri of conspiracy to defraud the government in collection of taxes. That count is pending until after disposition of the two evasion counts. O'Connell said that the FBI did not co-operate with other

government agencies in its bugging operations. He said he did not know whose decision it had been to conduct them.

David Nelson, general traffic manager and former general plant manager for the telephone company, testified that the company would make lines available to the FBI when requested, but would not assist the FBI in hooking up the lines and would not even know whether the lines were being used.

(The following was had in open Court, outside the presence of the Jury.)

THE COURT: You may call your next witness.

(Witness sworn.)

J O S E P H E. O' C O N N E L L

called as a witness by and on behalf of the Plaintiff herein, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. GIMBEL:

Q Could you kindly state your full name and spell your last name, please?

A Joseph E. O'Connell, O, apostrophe, C-o-n-n-e-l-l.

Q And where do you reside, Mr. O'Connell?

A 8924 West Palmetto Avenue, Milwaukee, Wisconsin.

Q What is your occupation?

A I'm employed as a special agent by the Federal Bureau of Investigation.

Q For how long have you been employed by the F.B.I.?

A I've been employed by the F.B.I. since



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August 22nd, 1949.

Q And what is your station of duty?

A My station of duty at the present time is Milwaukee, Wisconsin.

Q For How long have you been stationed as a special agent in Milwaukee, Wisconsin?

A Since June of 1960.

Q And has that employment in Milwaukee been continuous?

A Yes, it has.

Q Can you tell us generally what your duties are as a special agent of the F.B.I.?

A My general duties are investigating matters in which the United States is or may be a party in interest and performing other duties imposed upon me by law.

Q In the course of exercising your duties, Mr. O'Connell, did you have occasion to participate in an F.B.I. investigation of Frank Peter Balistreri?

A I did.

Q And in connection with that investigation did you have knowledge of an electronic surveillance of the apartment of Miss Jennie Alioto at 1609 North Prospect Avenue?

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A I do.

Q And can you tell us your recollection of the dates of that surveillance?

A The dates of that surveillance, to the best of my recollection, were for a period of time in 1961 extending into a period of time -- into 1962.

Q Can you tell us generally what type of equipment was used in the surveillance of Miss Alloto?

A There was a radio type microphone used in the surveillance of the Alloto residence.

Q And can you tell us whether or not the information gained by the microphone was monitored?

A The information gained by the microphone was monitored.

Q And can you tell us how the information was transmitted from the radio type microphone to the monitoring device?

A The radio transmitter was monitored on a receiver tuned to a certain frequency.

Q And where, if you know, was the receiver located?

A The receiver was located in an apartment within the immediate area of the Alloto residence in the same building.

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Q Can you tell us what the approximate range of the radio transmission was with this radio type of microphone?

A The effective transmission is approximately fifty feet.

Q Can you tell us, Mr. O'Connell, if any other law enforcement agencies participated in this electronic surveillance?

A To the best of my knowledge they did not.

Q Now, can you tell us, Mr. O'Connell, whether you are familiar with the electronic surveillance of an office located at 2559 and 2561 North Downer Avenue in the City of Milwaukee?

A I am.

Q Can you tell us the approximate dates that you recall that this electronic surveillance took place?

A To the best of my recollection this electronic surveillance took place between the period of March, 1964 through approximately June of 1965.

Q Can you tell us, please, Mr. O'Connell, what type of equipment generally was used in this electronic surveillance?

A This electronic surveillance consisted of a transistorized microphone that was monitored through a



telephone line.

Q And can you tell us to what point the telephone line led for purposes of monitoring, if any point at all?

A The telephone line led from the premise area where the microphone was installed to the confines of the Milwaukee office of the F.B.I.

Q Can you tell us, Mr. O'Connell, if the connection between the microphone and the telephone line was made by F.B.I. personnel?

A It was.

Q Can you tell us whether F.B.I. personnel were assisted by telephone company personnel in the connecting of the microphone to the telephone line?

A There were not./sic/

Q Can you tell us, Mr. O'Connell, whether any telephone lines were used in the electronic surveillance of Miss Alioto's apartment?

A There were no telephone lines used in the electronic surveillance of Miss Alioto's apartment.

Q Can you state, Mr. O'Connell, whether you had a conversation with a Mr. Stein regarding the possible use of telephone facilities in the electronic surveillance of Miss Alioto's apartment on Prospect

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A I did have such a conversation with Mr. Stein, exploring the possibility.

Q And can you tell us as best you recall it the nature of your conversation with Mr. Stein, what he said and what you said?

A I asked Mr. Stein if he could tell me whether there were any vacant lines available in the premise area of the Alioto apartment that would be available to the F.B.I. Mr. Stein told me that there was a line available.

Q Did you ask him to reserve that line?

A I asked Mr. Stein to reserve the line in the event I thought it necessary to use it.

Q Did you, in fact, ever use that line?

A I did not use the line.

Q Can you state, Mr. O'Connell, whether or not any law enforcement agencies other than the F.B.I. participated in the electronic surveillance of the Downer Avenue premises?

A To the best of my knowledge they did not.

Q Can you tell us, Mr. O'Connell, generally whether it is technically possible for any person to intercept the transmission of the communications from --

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from Downer Avenue to the Federal Building?

A Based upon the type of installation made there, no.

Q Can you state, Mr. O'Connell, whether you know of any electronic surveillance on the home of attorney James Shellow?

A I know of none.

Q Do you know of any electronic surveillance on the -- Mr. Shellow's office?

A None.

Q Do you know of any electronic surveillance on the office or home of attorney Eugene Koenen?

A No.

Q Do you know of any electronic surveillance on the home or -- on the home of Joseph Maniaci?

A No.

Q Do you know of any electronic surveillance on the home of Santo Curro?

A No.

Q Do you know of any electronic surveillance on the home of Rudolph Porchetta?

A No.

Q Do you know of any electronic surveillance at the Gallagher's Steak House on 3rd Street between

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Wells and Kilborn?

A No.

Q Do you know of any electronic surveillance at the Downtowner located on 4th and Wells?

A No.

Q Do you know of any electronic surveillance at the Tower Tavern on 11th between Wisconsin and Wells?

A No.

Q Do you have knowledge of any electronic surveillance at the Hotel Roosevelt on 4th and Wells?

A No.

Q During the period of time that you were stationed in Milwaukee in the capacity as a special agent would you have received knowledge of electronic surveillances at these addresses during that period?

A I would have had knowledge had the F.B.I. been involved in any electronic surveillances at these places you have just mentioned.

MR. GIMBEL: I have no further questions.

THE COURT: Cross examine.

CROSS EXAMINATION

BY MR. WALSH:

Q Mr. O'Connell, did Mr. Stein identify the cable and pair for you that he was going to reserve?



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A Yes, he did.

Q And what were those -- how did he identify them?

A By a number.

Q What was the number?

A I do not recall the number.

Q Where is your record of that number?

A I have no record of that number.

Q What did you do with it?

A I never made a record of that number.

Q You mean it was never written down in any report that you ever made?

A No, sir.

Q Now, what was the code name for that surveillance?

A The code name, sir?

Q Yes.

A I don't understand the question.

Q Well, you -- in your reports that I've been looking at, that have been furnished me by the Government there are numbers like -- or, symbols like MI61 and another number on the sheets of paper, isn't that a code for the surveillance?

A That's referred to as a symbol number, not



a code number, it is a symbol number.

Q All right.

○ To you it's a symbol number.

Now, what does that mean, what does the MI61, for instance, what would that mean?

A For an example, the MI616 with an asterisk?

Q Yes.

○ A After it would indicate to me that this is an electronic type of surveillance.

Q Well, I'll show you document -- I'll show you a document which bears an F.B.I. stamp and some numbers like 92-222-1-88 at the bottom, just for identification; direct your attention to the number at the top, MI something, what do those symbols signify to you?

A This M31-C on here signifies to me that this was an electronic type surveillance, information contained in this was obtained from an electronic type surveillance.

Q Do the numbers signify anything specifically?

A What numbers?

Q The 61?

THE COURT: 63.

MR. WALSH: Q. 63?

A This signifies to whom this surveillance



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Q I see.

And does it have any reference to the year in which it was commenced or conducted?

A No, but this up here (indicating) says 9-27-63.

Q Yes, but I'm -- I merely -- I can understand

A No, no --.

Q Easily, but this --.

A Does this number have any significance as to calendar date or year (indicating)?

Q Yes.

A No.

Q Now, I show you another one which has been marked Defendant's Exhibit 2 for the motion, and that has a heading similar to it, MI something?

A Uh huh.

Q Will you read it?

A MI616-C.

Q Yes.

Now, does that MI61, does the 61 in any way refer to a year?

A No, it does not, sir.

Q That's a number of the --?



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A^c That's a number which has nothing to do with the year.

Q I see.

Now, would MI516, bearing the date 10-23-61 -- MI516C, and the document that's dated 9-27-63 and has the number M632C, would that indicate to you that there were some sixteen electronic surveillances during that period?

A No, not at all.

Q How are these numbers chosen?

A These numbers are chosen through an administrative function at the office.

Q Who administers the function?

A I don't know the name of the individual, sir.

Q Well, did you ever write on the -- any reports concerning these electronic surveillances?

A Did I ever write on any of them?

Q Yes.

A No, sir.

Q You've never made a written report on any of your activities?

A No, sir.

Q On any of these electronic surveillances?

A No, sir, I have not.

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Q Isn't that unusual or contrary to the custom of special agents insofar as their activities are concerned?

A No, it's not, I had -- the case was not assigned to me, therefore I was not under obligation to submit or write reports in the matter.

Q Well, did you take part in the monitoring after the equipment was installed?

A No, sir, only to check to see that -- if it was working properly.

Q I see.

Did you ever get telephone company assistance in this connection?

A To see if it was working properly?

Q Yes.

A No, sir.

Q Or to make repairs?

A No, sir.

Q For instance, the surveillance on Downer Avenue, were there ever any breakdowns that required repair?

A They were minor breakdowns that required repair from time to time.

Q And who took care of those?

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A I did, sir.

Q Now, the -- are you -- have you been specially trained in this electronic installation and operation?

A I have.

Q Where did you get that training?

MR. GIMBEL: That's objected to, Your Honor, I think the fact that he's specially trained is sufficient for the purposes of this motion.

THE COURT: Do you think that might lead you to something?

MR. WALSH: Yes, I think I'm interested in developing that he might have gotten it the same place the internal revenue service people got it.

THE COURT: He may answer the question.

THE WITNESS: I received special training in this type of work.

MR. WALSH: Q Where?

A In Washington, D. C.

Q Under whose auspices?

A The Federal Bureau of Investigation.

Q I see.

And was there any -- were any of these instructors non F.B.I. personnel?

A They were not.



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Q And are you the -- the only person in your office who engages in this electronic surveillance, that is, the installation and withdrawal?

A I am.

MR. GIMBEL: That's objected --.

MR. WALSH: Q That is, the electrical part of it?

A The electrical part of it.

Q Yes.

Well now, I show you these again -- I guess I'd better have these marked.

Could they be marked 2A, Defendant's 2A and B on the motion.

Mr. O'Connell, I show you document, marked 2B and at the top there is a -- some initials and some numbers, will you read those?

A In the upper left-hand corner?

Q Yes, sir.

A It says MI58-81.

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Q And I'll show you Defendant's 2-A on the motion, and this number is -- is what on the top?

A M632-C.

Q Now, Defendant's Exhibit 2 is 61?

A M616-C.

Q Do those three different symbols indicate to you three different electronic surveillances?

A No, only two.

Q Well, are the numbers the same on one of them?

A The numbers are the same, but --.

Q (Interposing) On which ones?

A Two of them, have the letter C behind them.

Q Yes.

A The other one has the number 81, without any letter designation, which means to me this is not an electronic surveillance.

Q All right.

THE COURT: When you say that, which are you referring to?

MR. WALSH: He is referring to --.

THE WITNESS: (Interposing) 5881.

MR. WALSH: 2-B.

MR. McHELIS: 2-B, Mr. Walsh?



MR. WALSH: Yes.

Q Well then, is the C the way in which we can identify the electronic surveillance?

A Yes, sir.

Q Now, I take it you didn't have an opportunity to examine the logs that were delivered to us in connection with the electronic surveillance at the Alioto premises at Prospect Avenue, did you?

A That's correct, I did not.

Q All right.

Will you look at that one that has an exhibit mark, what's the exhibit mark?

A Down at the bottom?

Q No, it's a stamp up here, Defendant's 2-C, for the purposes of the motion.

A Yes, Defendant's 2-C.

Q And will you look at the name that appears on the bottom?

A The employee's name is S.A. Joseph E. O'Connell.

Q Is that you?

A That's me, sir.

Q And that a log prepared by you?

A That is.

Q Well, isn't that-- doesn't that indicate taking



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part in the electronic surveillance?

A As I mentioned earlier, I did check the electronic surveillance, but it was for the purpose of determining the quality of the line, how it was working, and as such, I made out one of those logs that during that time I was cognizant of any activity during a particular time.

Q And on this one you reported 12:00 midnight J. O. C., O. K., on duty.

A Uh-huh.

Q And no activity noted during entire shift.

A Uh-huh.

Q 8:00 A.M. O'Connell off duty, S. A. Holzman on duty.

A Uh-huh.

Q That indicate that you remained with this surveillance, took part in this surveillance through the eight hours?

A Yes, sir.

Q Let me show you copies of logs, other copies of logs which bear your name.

THE COURT Have they been identified?

MR. WALSH: No, they haven't been marked yet.

THE COURT: That will be D, E. and F.?



MR. WALSH: 2-D, E and F.

Q Here are three logs or copies of logs marked Defendant's Exhibits 2-D, 2-E and 2-F respectively, will you look at those and I ask if they refer to activity on your part in the electronic surveillance?

A Yes, they do.

Q And wasn't this actually monitoring the line?

A Well, I cannot say whether it was monitoring the line or not, all I can say is that I was present during these particular times when the line was being monitored.

Q I see.

And that was in an office in the F. B. I., in the Federal Building in Milwaukee, is that right?

A Yes.

Q Now, you made the statement that these -- this line between the microphone and the F. B. I. office could not be tapped, is that right, did you make such a statement on direct?

A In which -- which instance are you referring to, sir?

Q Where the telephone line was used.

A Yes.

Q In other words, it would be impossible for



anyone else to secure any information from that line?

A Correct.

Q Why?

A Because --.

Q Tell us why it would be different than a phone wire for instance?

A To answer that question I would be divulging information that might be prejudicial to the best interest to the security of this country.

Q Doesn't anybody else know?

A Sir?

Q Doesn't anybody else know?

A Not that I'm aware of.

Q Well, wouldn't an induction coil pick up what went over that line?

A Not to the best of my knowledge.

Q Now, after you left Mr. Stein, oh, I want to show you these articles from Exhibit 4, a Group Exhibit 4, and will you tell us whether you ever saw these articles?

A Yes, I've seen articles similar to these.

Q Well, do you recall those specific articles?

A Well, there is no specific way I could identify them, but these are connecting blocks.



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Q Of a type used by you on occasion?

A Yes.

Q And is that microphone one of the radio type microphones that you were talking about?

A No.

Q This is just a simple transmitter microphone, is that right?

A This is a transistorized preamplifier microphone.

Q By preamplifier, what do you mean?

A That it amplifies sound.

Q Oh, I see.

All right, and do you know whether that's property of the F. B. I. or was at any time?

A I have no identifying mark on this, sir, but this is property that the F. B. I. has had similar type property in appearance.

Q All right, sir.

Now, can you tell me whether this -- these two -- I forget what the other man called them, but maybe you can tell me what they --.

A (Interposing) Well, to me, sir, they are connector blocks.

Q Connector blocks, whether those connector



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blocks were furnished you by the telephone company?

A No.

Q Well, have you used connector blocks of that type in your installations?

A Yes.

Q Where did you obtain them?

A Well, you can obtain them, I don't know where I - may have obtained these particular ones, but they are marketable, on the market.

Q I see, in electrical shops?

A Yes.

Q Well, these are marked Westinghouse.

A Westinghouse? No, Western Electric.

Q Western Electric, excuse me.

A Uh-huh.

Q Doesn't that indicate to you that they are made for telephone company use?

A Well, I know Western Electric is a supplier for the telephone -- for telephone equipment.

Q Does it also market these, to your knowledge?

A I do not know whether Western Electric markets them or not.

Q Now, after you had this pair, cable and pair identified for you, by Mr. Stein, for the Alioto



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premises at -- on Prospect Avenue, for prospective use on Prospect Avenue, is it your testimony that you didn't use them?

A I did not use them.

Q Who did, to your knowledge?

A No one to my knowledge.

Q And did you make that known to Mr. Stein?

A I don't think I ever called Mr. Stein back on it or approached him further after our original discussion in which I attempted to determine from Mr. Stein whether such lines were available.

Q Well, actually, he reserved a specific cable and lines for you, didn't he?

A He said that they were available.

Q Well, he identified them for you?

A For our use that these particular lines were available for our use.

Q And he gave you the numbers?

A Yes.

Q And that's all you need to hook on, isn't it?

A That's right, sir.

Q Those numbers are kept secret by the telephone company, aren't they, otherwise?



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A I don't know what procedure the telephone company has on keeping their numbers secret.

Q Well now, how many times have you acquired from the phone company and used cables and lines?

MR. GIMBEL: Object to that, Your Honor, unless he can relate it to this inquiry.

THE COURT: Well, I think you ought to relate it to the case here.

MR. WALSH: Well, Your Honor, my point is, he's in direct conflict with prior witnesses who told us that the F. B. I. would get a pair and a cable, and then when they ceased they would notify the telephone company, and the telephone company would erase the number, and put the new assignment down, if there was one, and he says --.

THE COURT: (Interposing) Nobody in the telephone company testified that they were ever used.

MR. WALSH: No, but --.

THE COURT: (Interposing) This man here says he only used one at an address --.

MR. WALSH: (Interposing) That's right, but I want to test his testimony to find out what he said on direct --.

THE COURT: (Interposing) You can test him.



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MR. GIMBEL: The only objection I have, Your Honor, is that he should relate it to this case. If Mr. O'Connell has done any of his special -- used his special talents in any other case that might involve the national security, I don't think it should be part of this record.

THE COURT: Of course it will not be if that's what it is.

MR. GIMBEL: He asked him how many times he's done this.

THE COURT: I'm going to limit it now to cases outside of protection of the national security.

MR. WALSH: Q All right, cases outside national security.

A What is your question?

THE COURT: How many times have you used this equipment or these lines or these cables from the telephone company in cases outside of national security cases?

THE WITNESS: Well, I've used them several times, exact number I don't know.

MR. WALSH: Q Well, is it more than ten?

A I would say not.

Q All right.



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Then in those cases which are divorced from national security investigations or surveillances, when you cease the use of the cable and pair, did you not notify the phone company?

A Only if it was going to be ceased permanently. I would notify them. If there was any potential that it might be used subsequently, I did not.

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Q And can you tell us -- do you recall the number of this cable and pair that you asked about for use on Prospect Avenue?

A No, sir, I don't recall the number.

Q But you didn't write it down, purposely?

A Sir?

Q You omitted writing it down so it won't be available to anyone, I suppose?

A I never made a report of writing anything like that down.

Q Why not?

A Because I didn't feel it was necessary to write it down.

Q Because you would remember it?

A If I were going to use it I would remember it.

Q Are you an attorney, Mr. O'Connell?

A No, I'm not.

Q Now, in connection with this case did you make any other telephone company type connections?

A In connection with the Alioto matter?

Q Alioto or Balistreri, yes.

A I made one inquiry about available lines in the Balistreri case.

Q Did you use the lines?



A Yes.

Q And then the -- this other surveillance was done in the manner that you've described for the Downer Avenue --?

A The Downer Avenue surveillance was monitored at the office of the F.B.I.

Q Yes, sir.

A Over a telephone line.

Q Yes, sir.

Now, where was the other one where you used the telephone --?

A The Prospect?

Q Now, the Prospect you said was not a wire situation.

A That's true.

Q Over a radio?

A That's true.

Q No telephone line used at all?

A At the Prospect, no.

Q Now, did you use another cable and pair from a telephone company in any other electronic surveillance connected with this case, without naming it?

A I have used another pair but I don't know if it has any connection to this case.



Q Well --,

MR. McNELIS: Mr. Walsh, could we approach the bench just a moment, please?

(Discussion off the record, at the bench.)

THE COURT: Mr. Walsh, you may go ahead without naming what the situation was, I think there's one situation that this Witness wouldn't know about that you might want to interrogate him about, that's not concerned in this act.

MR. McNELIS: Thank you, Your Honor.

MR. WALSH: Q Well, Mr. O'Connell, did you arrange for the installation of a microphone in the office of a lawyer in Milwaukee?

A Yes.

Q More than once?

A No.

Q Only one lawyer?

A Yes.

Q And was that a -- an office which was used by several lawyers?

A Yes.

Q And was the microphone in a place where the lawyer's conversations with his clients and any person



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who came to his office could be heard?

A Yes.

Q And where conferences between him and his secretary and his associates in the office would be heard?

A Yes.

Q And was that installation conducted or made in the same way or similar to the one at 1609 Prospect?

A No.

Q What was the difference?

A The one at 1609 North Prospect was not monitored on a leased line, a telephone line.

Q A radio, that was the radio?

A That's right, sir.

Q All right.

Then, how about the Downer Avenue, was that installation similar to the one in the lawyer's office?

A Yes, sir.

Q That ran to the F.B.I. office?

A Yes, sir.

Q And the sounds or conversations or whatever it was that was picked up was picked up through a microphone of the type that we examined here?

A Similar to that, sir.



Q Did you take part in that surveillance?

A I beg your pardon?

Q Did you take part in that surveillance after the installation?

A In the same manner that I took part in the one on -- on Downer Avenue.

Q Well, as I understand you, you performed two functions in -- you would be present sometimes while the surveillance was on in order to inspect the operation of the equipment?

A That's correct.

Q Now, did you remove that installation?

A Which one now are you speaking of?

Q The one in the lawyer's office?

A Yes.

Q The microphone was removed?

A Yes.

Q Is there any other equipment of any type installed in that office so far -- by your activity?

A I installed no --.

Q Or in connection with your activity?

A I installed no other devices, no, sir.

Q So far as you know, then, there is no electronic device or other device in that office for the



purpose of surveilling or hearing the conversations there?

A At the present time that's correct.

Q All right.

Q When was this removed?

A To the best of my knowledge that was removed sometime during 1963, the exact date of which I'm unable to recall.

Q And did you notify the telephone company?

A Yes, sir.

Q That you were through with that cable and pair?

A (Nodded head up and down.)

Q And did you notify them that you were through with the one on Downer Avenue?

A I don't recall whether I told them I was finished with that one or not, sir.

Q That equipment was not removed by you?

A The one on Downer Avenue?

Q That's right.

A It was not.

Q Now, who did you notify that you had ended the use of the cable and pair at -- at the lawyer's office?

A It was 1963, that would probably have been Mr. Nelson.

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Q Did you get the cable and pair in that case from Mr. Stein?

A If Mr. Stein --.

Q Well, excuse me, I think that's unfair because I think Mr. Stein said he left, didn't he, the position in '63. I'll withdraw that.

Do you recall who -- who did give you that line?

A No, I don't, right offhand, who may have given me that line.

Q Now, when you're given a cable and a pair -- is that the right expression in your usage of it?

A That's just about right, yes, sir.

Q I kind of picked up from these telephone men as they testified.

A Uh huh.

Q Could you have run it to any place you chose, would it have been possible for you to run it off into any place that you chose?

A I don't know whether that would have been possible or not, I -- I didn't make any inquiry of the telephone company whether that was -- would be possible or not. I was interested in running it from the location in this instance, West Wisconsin Avenue into the



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F.B.I. office, that was my only inquiry, could this be possible to run it in.

Q And -- in the one on Downer Avenue, did the -- the cable and lines that were disclosed to you or made available to you, did they project from a phone pole or were they from a cable box in the building?

A The one on Downer Avenue was from a telephone pole.

Q And then -- then that's as much as the telephone company did for you on that installation was tell you about it and make it available for you on the pole?

A Where the location was on the pole.

Q All right.

And from there the F.B.I. arranged for the lines to be run into the building, is that it?

A Yes, sir.

Q And were they run in through the cable box through the terminal box in the building?

A No, they were ran/sic/ into a -- a cable that was located in a specific location within the Federal building.

Q No, the other end.

A The other end?



Q At Downer Avenue.

A At Downer Avenue?

Q Yes.

A I made the connections at Downer Avenue.

Q Now, did the line, then, from the pole run in through a cable -- through a telephone company box in the building?

A In the Downer building?

Q Yes.

A Not that I know of.

Q Well then, did it run directly into the office?

A It ran directly into the office, out to a telephone pole.

Q And not into -- into a telephone box at all?

A Not that I know of.

Q Then, let me ask you, did you use these connections, these devices?

A Yes, I mounted these on the wall.

Q On a wall in the building?

A Inside the building, right.

Q Not in any box or in any telephone box where there are a lot more of these installed?

A Well, there were some in the immediate area,

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but it was not a closed box.

Q Well --.

A It's referred to as a terminal board.

Q Oh, all right.

Well then, there's -- I'm a little bit confused on the description.

But were other telephone lines on that -- connected to that telephone -- to that board, is that right?

A There were other connecting blocks on the board, I didn't bother to check to see if they were occupied.

Q All right.

Now, how many tapes would your monitoring system in the office handle, that is how many --?

A How many tapes?

Q Yes, how many could you run at once?

A Well, one recorder would run one reel, ten and a half inch reel of tapes.

Q Yes.

Now at the same time would you have more than one going?

A At times more than one were going.

Q And how many recorders did you have for



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such purposes in this room?

A To the best of my recollection there were five.

Q Now, did you -- do you know whether there was any payment made by the bureau for the use of these lines?

A For the use of the telephone lines?

Q That's right.

A I don't know, sir.

Q Do you know in what name these lines were reserved?

A No, sir.

Q Did you make this arrangement with the telephone company or were you just told about it by someone after you came there?

A Right, I was told about it, I made -- I made no formal arrangement with the telephone company.

Q You were informed by your associates or supervisors that this was in existence, this arrangement was in existence when you came to the bureau in Milwaukee?

A Yes, sir.

Q When did you come to the Milwaukee office?

A In June of 1960.

Q How long had you been an agent then?

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A Since July 7th, 1958.

Q Now, did you have anything to do with requesting electronic surveillance in other cities?

A No, sir.

Q Did you receive requests to conduct these electronic surveillances that you've testified about here from any other cities?

A No, sir.



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Q Your direction came from your associates or supervisor?

A My directions came from the special agent in charge of the Milwaukee Office of the F. B. I.

Q And who was he?

A Well, there have been quite a number since I first arrived in Milwaukee, what year are you referring to?

Q Well, I am talking about the three installations that you've testified about, the one in the lawyer's office, the one on Prospect, and the one in -- on Downer Avenue.

A Well, to the best of my recollection, the agent in charge during the period of North Prospect was Joseph L. Kissiah. Now I'm relying on memory about these names.

Q I understand.

A That was in 1961 and '62.

In 1963 we had a special agent in charge of the Milwaukee Office of the F. B. I. by the name of Paul H. Stoddard. And again to the best of my recollection during the years, or at least part of the year 1964, and the subsequent year, the special agent in charge of the F. B. I. was named Richard L. Baker, or,



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Richard J.

Q And, Mr. O'Connell, it's your intention, I think, to tell, is it not, to tell us that if those were the agents in charge at the time you made those installations, you did it at their respective directions?

A Yes, sir.

Q But you are not certain, you recall their specific instructions?

A No, but I receive, like all special agents in any bureau field division, receive their instructions from their immediate supervisor, and during this period of time, my immediate supervisor was the special agent in charge, though I received my instructions from that individual.

Q Was not your -- this electronic surveillance a matter of secrecy and importance so that it was more or less kept between you and the special agent other than for the agents who took part in the monitoring?

A That's correct.

Q Now did you associate with Mr. Holzman, special agent Holzman in your installations?

A I did.

Q And in the surveillance?

A Correct.



Q And did he inform you or direct you in any manner in the installation of these devices?

A He did not direct me, he may have made suggestions, but he did not direct me.

Q Do you know who originated the suggestion or direction that these respective places, these three installations should be made?

A Who originated the idea?

Q Yes.

A No, sir, I do not know who originated the idea.

Q You didn't discuss the reasons for the installations?

A I did not discuss it, no.

Q Did you make an inquiry or any attempt, make any attempt to determine whether these were security cases?

A I did not.

Q Or threat to life cases?

A I did not.

Q And that was because you were an agent and you just didn't question your superior's orders?

A That's right, it wasn't my position to question my superior.



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Q Or to make that decision?

A Correct.

Q All right.

Now, do you know Mr. Barnes, an attorney for the organized crime, in the organized crime division of the Department of Justice?

A I know the name only, I wouldn't recognize the individual.

Q You have never met him?

A I may have met him on one occasion.

Q I see.

What was that occasion?

A To the best of my knowledge Mr. Barnes may have been in the Milwaukee Office of the F. B. I. at one time, and I possibly was introduced to him, that name does sound familiar to me.

Q Now, did you -- were you aware of the function of the Organized Crime Division?

A I was aware that an Organized Crime Division existed within the Department Of Justice.

Q And were you informed as to its object or function?

A In a general way, I was advised, as all special agents are, what the objective of a case is.

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Q Well now, did you cooperate in any way in your electronic surveillances with other agencies?

A Did I cooperate? No, sir.

Q Did you ever associate with officers or agents of any other agency in the installation of electronic surveillances?

A No, sir.

Q Have you had -- has your agency or you as an agent had cooperative meetings with these -- with agents from other agencies concerning the practicability of certain types of electronic surveillances?

A I have no direct knowledge of that, I have never been involved in such a discussion.

Q You have not?

A No, sir.

Q Now, do you have other duties in addition to the electronic duties?

A Yes, I'm an investigator.

Q And absent these installations, why you do the regular work of a special agent of the Bureau, is that it?

A Correct.

Q Does the Bureau have any manual or books or directions on how to make these installations?

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MR. GIMBEL: That's objected to, Your Honor,
I don't see what the relevance of manuals, bulletins
--.

MR. WALSH: (Interposing) Well, I'm seeking this,
Your Honor, from the point of view of the cases which
hold that under the supervision of Justice and the
administration of Justice, the Courts should consider
the impact of such on society.

THE COURT: Objection will be sustained, the thing
involved here, as I see it, is what, if anything, was
done in this case we are trying.

MR. WALSH: All right.

THE COURT: I won't limit you to any extent you want
to go into this case.

MR. WALSH: I understand, Your Honor, but the only
reason I wanted -- that was one of the reasons I
stated --.

THE COURT: (Interposing) I think that the objection
is proper and should be sustained, and I am sustaining
it.

MR. WALSH: Q Do you know, Mr. O'Connell --.

THE COURT: (Interposing) Mr. Walsh, they are
getting him a drink of water.

MR. WALSH: Excuse me, I'm sorry.



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THE COURT: You may ask your question.

MR. WALSH: Q Do you know that the microphones -- well, in one installation you did not remove it, that was the Downer case, or you didn't know whether it was removed, that's the Downer case, right?

A Yes, sir.

Q In the other two cases have microphones been removed?

A Yes, sir.

MR. WALSH: That's all, sir.

THE COURT: You may step down.

(Witness excused.)

THE COURT: Is there any other witness?

MR. GIMBEL: No, sir.

I would say this, there are other telephone company personnel here, I have discussed the matters of that -- that we are interested in with them and it's my opinion they wouldn't shed any more light on the subject than Mr. Kremers did yesterday. Mr. Walsh wants to call them, they are available.

MR. WALSH: Well, I'm very interested in seeing that record of thatline that Mr. -- this gentleman that preceded this witness told us he could identify.

THE COURT: That's the -- he was the district

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